

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2642 – SB 2766

March 4, 2010

SUMMARY OF BILL: Authorizes Shelby County to sell property purchased at a delinquent tax sale to a non-profit community development corporation (NCDC). Exempts, in all counties of the state, any NCDC from taxes, penalties or interest from the sale and from any taxes after the date of acquisition by the NCDC for a period not to exceed 18 months or until the property is transferred to another owner.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$14,200/Permissive

Assumptions:

- Provisions of this bill regarding the exemption of property acquired by any NCDC will apply to all counties upon adoption of a resolution by a two-thirds vote.
- According to the Comptroller of the Treasury, there were 23 properties sold to NCDCs in Shelby County in calendar year 2009 representing \$14,219 in taxes.
- The number of properties sold in Shelby County in calendar year 2010 and subsequent years will remain constant; the tax liabilities for such properties will also remain constant resulting in a permissive decrease to local government revenue (Shelby County) of \$14,200 per year.
- Properties will be sold by a NCDC to another purchaser within 12 months.
- The number of counties that will elect to exempt property purchased at a tax sale by a NCDC and the resulting decrease to local government revenue is unknown and is difficult to quantify. As a result, the permissive decrease to local government revenue is reasonably expected to exceed \$14,200 per year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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